

7 Things You Must Include in a Texas Gym Membership Contract



If your business sells a Texas gym membership contract (this also includes martial arts and self-defense training), it's likely you'll have to comply with the requirements of the state's Health Spa Act ([Tex. Occ. Code § 702.001 et seq.](#)).

In addition to registration of your gym with the State of Texas and satisfying security requirements (e.g., posting a surety bond or qualifying for an exemption), there are certain provisions that must be included in your gym membership

agreements.

Why the Texas Health Spa Act Exists

Traditional gyms (a.k.a. fitness centers), martial arts dojos (e.g., Karate, BJJ, etc.), MMA instructional facilities, and self-defense training studios (e.g., Krav Maga) have a history of taking advantage of customers through deceptive language in their contracts covering monthly billing, automatic renewals, and cancellation policies. In addition, gyms frequently go out of business, particularly those owned and operated by a single owner).

The Health Spa Act is a consumer protection law designed to minimize the risks to the customer while enabling the gym owner to run a fair business with minimal government interference.

Texas Gym Membership Contract Requirements



Here are some of the key requirements of a Texas gym membership contract under the Act.

1. The contract must be in writing *and* signed by the purchaser.
2. It must include the state registration number (or state-provided location ID number if the business has more than one gym location).
3. The agreement's term cannot exceed 3 to 5 years (the maximum length is determined by whether or

not membership is financed through a retail installment contract).

4. The contract must include statutory language that governs cancellations and refunds under certain circumstances, including a 3 business day right to cancel after signing, permanent closure of the gym, death or total permanent disability of the member.

5. If the health spa has not opened yet when the gym memberships are pre-sold, the agreement must include statutory language about the member's rights if the gym doesn't open or closes within 30 days.
6. If the gym membership contract includes a finance charge within the meaning of the federal Truth in Lending Act ([15 U.S.C. § 1601 et seq.](#)) or Regulation Z ([12 C.F.R. pt. 226](#)), the Health Spa Act contains language that must be included regarding the member's claims and defenses.
7. Upon request by a prospective member, the gym owner must provide a comprehensive list of the membership plans available for sale.

Related Article: [Does Your Business Lawyer Draft Contracts That Encourage Dispute Resolution or Lawsuits?](#)

Texas Health Spa Act Penalties

What are the potential penalties of a Texas fitness center for failing to comply with the Act?

- The gym membership contract is void.
- If the agreement involves a false, misleading, or deceptive act or practice, the gym owner may be civilly liable to the member under the Texas Deceptive Trade Practices Act.
- State registration of the gym may be revoked.
- The Texas Attorney General may investigate and sue the gym owner.
- Civil penalties can include actual damages, equitable relief, punitive damages, attorney fees, and court costs.
- In addition to *civil* remedies, a person who knowingly violates the Act may be guilty of a *criminal* offense (Class A misdemeanor).

Although these are the fundamentals of complying with the Act if you're a Texas gym owner, there are other requirements that must be followed under the statute. That's in addition to your other gym contracts (e.g., [Texas employment contract](#)).

If you're unsure whether you're following the law, it makes sense to discuss it with an experienced Texas [business contracts lawyer](#). To speak with Attorney Young, [set up a phone consultation using our firm's online booking system](#) or call 214-546-4247.



About the Author

Mike Young has been practicing business and technology law since 1994.

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To get legal help from Attorney Young, [click here now](#) or call 214-546-4247 to schedule a phone consultation.